

ASSEMBLY BILL

No. 2340

**Introduced by Assembly Member Williams
(Coauthor: Assembly Member Blumenfield)**

February 24, 2012

An act to add Section 379.9 to the Public Utilities Code, relating to electricity distribution.

LEGISLATIVE COUNSEL'S DIGEST

AB 2340, as introduced, Williams. Distribution grid: distributed generation.

Under existing law, the Public Utilities Commission (PUC) has regulatory authority over public utilities, including electrical corporations, as defined. Existing law requires the PUC to administer, until January 1, 2016, a self-generation incentive program for distributed generation resources to facilitate the integration of those resources into the electrical grid, improve efficiency and reliability of the distribution and transmission system, and reduce emissions of greenhouse gases, peak demand, and ratepayer costs.

This bill would require the PUC to convene a proceeding on or before July 1, 2013, to develop rules, as prescribed, for the reimbursement of distribution grid upgrade costs to developers of wholesale distribution generation facilities constructed subsequent to the completion of interconnection studies. The bill would require those costs to be included in each electrical corporation's rate base.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 379.9 is added to the Public Utilities
2 Code, to read:
3 379.9. The commission shall convene a proceeding on or before
4 July 1, 2013, to develop rules for the reimbursement of distribution
5 grid upgrade costs to developers of wholesale distribution
6 generation facilities constructed subsequent to the completion of
7 interconnection studies. Those costs shall be included in each
8 electrical corporation's rate base. The rules shall ensure that
9 distribution grid upgrades are cost-effective for ratepayers. The
10 commission, in developing the rules, shall consider federal rules
11 under which transmission grid upgrade costs are reimbursed.

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